

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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February 19, 2009

To:

Supervisor Don Knabe, Chairman

Supervisor Gloria Molina

Supervisor Mark Ridley-Thomas Supervisor Zev Yaroslavsky Supervisor Michael D. Antonovich

From:

William T Fujioka

Chief Executive Officer

## REPORT ON DIETARY SERVICES CONTRACTS AT DEPARTMENT OF HEALTH SERVICES FACILITIES

On March 25, 2008, on motion by Supervisor Molina, your Board instructed the Chief Executive Officer to report back quarterly on the status of actual and anticipated issues associated with dietary services in the LAC+USC Replacement Facility (Replacement Facility), vendor performance, modifications to the current agreement and its impact in the development of a new Request for Proposals (RFP). Additionally, your Board requested a report back at the June 24, 2008 Board meeting regarding consolidating the provision of dietary services in County hospitals into a single RFP to leverage economies of scale and pricing. This Office provided a status report on June 23, 2008, and the matter was continued to July 8, 2008. A complete report was provided by Department of Health Services (DHS) on July 3, 2008, noting the consolidating of dietary services at all DHS facilities into a single solicitation, and the anticipated timeline of the RFP solicitation process. On November 13, 2008, we provided your Board with a status report on the transfer of dietary services to the Replacement Facility and as noted, the kitchen area was fully equipped and licensed by the State.

This quarterly report fully addresses issues associated with dietary services at the Replacement Facility and provides your Board with a status report on the RFP for dietary services contracts at DHS facilities.

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As of November 8, 2008, Morrison Management Specialists, Inc. dba Morrison Health Care, Inc. (Morrison), the current service provider, began offering cafeteria and concession services for visitors, staff and the public, and dietary services for in-patients, physician-resident staff and employees. Some of the issues that have been addressed include:

- Equipment re-calibrations;
- ➤ Morrison is working through the new meal accounting system that monitors ordinance meals which consist of meals authorized by County Code, including meals that are obligated contractually for interns and residents as well as meals that may be given to medical students and volunteers in exchange for their services
- During peak meal hours, the facility has experienced congestion in the cafeteria; however, Morrison is purchasing mobile cash registers to help decompress the lines and to accelerate the throughput;
- Café hours have been expanded based on identified customer needs;
- DHS is maintaining reduced cafeteria services in the General Hospital (GH); hours of operation are minimal Monday through Friday, and hours of operation will continue to be evaluated and provided based on need;
- > The GH kitchen is utilized for some excess equipment storage (pots, pans, chafing dishes, etc., which are only used infrequently); and
- Morrison staff training is on-going for new equipment in the kitchen and tray delivery system on the wards.

Overall, the transfer of dietary and concession services to the Replacement Facility was seamless, requiring no modifications to the existing Morrison service agreement. Morrison related move costs are under review by DHS. This completes our report on issues associated with dietary services in the Replacement Facility. Future reports will focus on the consolidation of dietary services in County hospitals into a single RFP, including the Replacement Facility, to leverage economies of scale and pricing. The following represents a status on DHS' efforts as to the RFP process.

The RFP release date has been delayed from November 2008 to March 2009. In an effort to prepare a solicitation that would leverage economies of scale and pricing, DHS Contracts and Grants staff are working closely with the facilities to review their service needs to standardize requirements. Further complicating the RFP structure and content is the fact that dietary services are subject to Proposition A contracting and Living Wage Program requirements while the concession cafeteria services are only subject to Living Wage Program requirements.

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The draft RFP is in the final review process with DHS management and will be provided to County Counsel for approval within the next two weeks. DHS will finalize the RFP as quickly as possible to avoid delays in recommending new contracts to your Board. As approved by your Board, the existing Agreements for Harbor-UCLA Medical Center, Olive View-UCLA Medical Center, Martin Luther King, Jr. Multi-Service Ambulatory Care Center, and Rancho Los Amigos National Rehabilitation Center are effective through June 30, 2009. The Agreement for dietary and concession services at LAC+USC is effective through September 30, 2009.

As noted, the RFP is about to be completed and is expected to be referred to County Counsel for review and approval within the next two weeks. Upon approval of the RFP, a final report will be prepared by DHS to advise your Board of the RFP release date and it will include a revised timeframe for the solicitation.

Should you have any questions, please contact me or your staff may contact Dorothea Hayes of my staff at (213) 974-6837 or <a href="mailto:dhayes@ceo.lacounty.gov">dhayes@ceo.lacounty.gov</a> or Kathy Hanks of DHS at (213) 240-7819 or <a href="mailto:khanks@dhs.lacounty.gov">khanks@dhs.lacounty.gov</a>.

WTF:SRH:SAS MLM:DH:yb

c: Executive Officer, Board of Supervisors
County Counsel
Interim Director, Department of Health Services

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